

The Agency

Office of the General Treasurer

Agency Operations

The Office of the General Treasurer is established under the Rhode Island Constitution as one of the five general officers subject to election by the voters. The General Treasurer is the custodian of State funds, charged with the safe and prudent management of the State's finances. The General Treasurer serves on the State Investment Commission, the State Retirement Board, the Public Finance Management Board, the Rhode Island Housing and Mortgage Finance Corporation, the Rhode Island Refunding Bond Authority, the College Savings Plan Board, and the Rhode Island State Board of Banking.

Programs and sub-programs are defined to streamline the administration of various functions and resources. Programs under the control and guidance of the General Treasurer include: the Employees' Retirement System, the Administrative Unit for participating public employee groups including state, teacher and municipal employees; the Unclaimed Property Program which collects both tangible and intangible abandoned property for the purpose of returning the property to its rightful owner; the Investments Division and Finance provide investment and cash management services to State government and issues and manages the State's general obligation debt; the Business Office validates and distributes the State's imprest/benefit check payments, laser prints vendor and non-vendor checks, and reconciles the majority of the State accounts to the financial institutions and the State Controller's records; and the Crime Victim Compensation Program which compensates crime victims of financial losses suffered as a result of a violent crime, including victims and/or families of victims of The Station nightclub fire. Other areas under the Treasurer's responsibility include the care and management of the Abraham Touro Fund and the Childhood Disease Fund.

Agency Objectives

The Treasurer's Office will continue to focus its efforts and activities on enhancing the office's services to the public. The Treasurer's Office will achieve this objective and perform its functions in the most cost effective manner possible.

Statutory History

Article IV of the Rhode Island Constitution and Title 42 Chapter 10 of the Rhode Island General Laws establishes the Office of the General Treasurer. Chapter 35 gives the guidelines for the investment of state funds. The Employees' Retirement System is governed by Chapters 16, 21, 36 and 45 of the Rhode Island General Laws. The sections that cover the Retirement System also cover the investing of the funds of the plan. Payments of funds by the Treasury Business Office are covered by 42-10 of the Rhode Island General Laws. Chapter 28 includes the Treasurer's responsibilities for the DET Program. Title 12 Chapter 25 of the Rhode Island General Laws governs the victims of Crime Victim Compensation Program.

The Budget

Office of the General Treasurer

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised	FY 2007 Recommended
Expenditures by Program				
General Treasury	2,958,817	2,851,857	3,082,585	3,331,397
State Retirement System	4,592,436	5,756,787	7,360,996	6,521,579
Unclaimed Property	25,906,727	25,201,546	25,175,000	16,669,226
Rhode Island Refunding Bond Authority	31,053	31,613	54,742	55,770
Crime Victim Compensation	4,096,617	1,823,214	3,962,617	2,661,476
Total Expenditures	\$37,585,650	\$35,665,017	\$39,635,940	\$29,239,448
Expenditures By Object				
Personnel	7,398,057	8,188,719	9,865,226	9,557,087
Other State Operations	26,541,269	26,094,865	26,267,063	17,425,955
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	3,646,324	1,381,433	3,503,651	2,256,406
Subtotal: Operating Expenditures	\$37,585,650	\$35,665,017	\$39,635,940	\$29,239,448
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$37,585,650	\$35,665,017	\$39,635,940	\$29,239,448
Expenditures By Funds				
General Revenue	2,731,693	3,166,378	2,802,656	2,991,870
Federal Funds	2,372,572	1,713,752	2,338,078	1,024,419
Restricted Receipts	27,669,550	24,810,938	26,849,577	18,396,066
Other Funds	4,811,835	5,973,949	7,645,629	6,827,093
Total Expenditures	37,585,650	\$35,665,017	\$39,635,940	\$29,239,448
FTE Authorization	84.5	87.5	87.5	86.2
Agency Measures				
Minorities as a Percentage of the Workforce	15.4%	15.0%	15.6%	16.7%
Females as a Percentage of the Workforce	65.4%	65.0%	64.9%	65.8%
Persons with Disabilities as a Percentage of the Workforce	1.3%	1.1%	1.3%	1.3%

The Program

Office of the General Treasurer General Treasury

Program Operations

The General Treasury Program provides administrative support to the entire agency to ensure its operational efficiency and fiscal integrity. It is comprised of four functional areas: Policy, Administration, Investments, and the Business Office .

Policy Division: This division is responsible for directing policy and legislative analysis, preparation and testimony for Treasury, including preparation and shepherding of all retirement and investment legislation through the General Assembly.

Administration Division: This division provides the administrative support to the entire Office in terms of overall leadership for matters dealing with personnel, budgeting, financial controls, and management information systems.

Investment Division: This division is charged with managing the state's borrowing and investment functions. The division provides daily fiduciary services to all of state government, manages state funds, monitors investment managers for compliance with state guidelines, is the interface for outside financial professionals on administrative matters and fund transfers, implements State Investment Commission policies, and oversees the issuance and management of State debt.

Business Office: This division is responsible for the validating and distributing of imprest/benefit checks along with replacement checks. The division is also responsible for the internal transfer of state funds for necessary payroll taxes and retirement contributions, as well as the reconciliation of a majority of state bank accounts both to the bank statement balances and to the controller's records. Additionally, this division laser prints vendor and non-vendor checks and electronically transmits issues to the appropriate banking institutions. Pension, payroll and benefit checks are also printed by the Business Office. The joint Office of the General Treasurer—Department of Labor and Training operations are conducted within this division. This unit performs services on behalf of the Temporary Disability Insurance Program and the Unemployment Insurance Program.

Program Objective

To continue to focus on improving services to the public and to provide leadership and direction to enable Treasury to perform its functions more effectively and efficiently. To expand the use of technology with more effective utilization of banking services; and to improve the management of cash collection, investment and disbursement of systems.

Statutory History

Chapter 35 gives the guidelines for the investment of State funds. Payments of funds by the Treasury Business Office are covered by 42-10 of the RIGL. Chapter 28 includes the Treasurer's responsibilities for the DET Program.

The Budget

Office of the General Treasurer General Treasury

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised	FY 2007 Recommended
Expenditures by Subprogram				
Policy	640,728	627,842	717,684	787,452
Administrative Operations	72,076	164,951	54,972	71,077
Business Office	1,613,382	1,428,439	1,593,154	1,702,542
Treasury Miscellaneous	108	416	-	-
Investments	632,523	630,209	716,775	770,326
Total Expenditures	\$2,958,817	\$2,851,857	\$3,082,585	\$3,331,397
Expenditures By Object				
Personnel	2,365,078	2,223,632	2,412,650	2,664,811
Other State Operations	593,739	628,225	659,235	655,886
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	10,700	10,700
Subtotal: Operating Expenditures	\$2,958,817	\$2,851,857	\$3,082,585	\$3,331,397
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$2,958,817	\$2,851,857	\$3,082,585	\$3,331,397
Expenditures By Funds				
General Revenue	2,447,153	2,397,620	2,509,260	2,723,228
Federal Funds	292,265	237,075	278,692	292,655
Restricted Receipts	-	-	10,000	10,000
Other	219,399	217,162	284,633	305,514
Total Expenditures	\$2,958,817	\$2,851,857	\$3,082,585	\$3,331,397
Program Measures				
Short Term Investment Return	0.09%	0.09%	0.20%	0.20%
Business Days Required to Issue				
Replacement Check	7	6	6	6

The Program

Office of the General Treasurer State Retirement System

Program Operations

The Employees' Retirement System of Rhode Island provides retirement, disability, survivor, and death benefits to eligible state employees, and public school teachers. Participating municipal employees belong to the Municipal Employees' Retirement System. The system also administers the Judicial Retirement Plan, the State Police Retirement Plan and the Teacher Survivor Benefit Program for those teachers who are not covered by Social Security.

The system is divided into three main areas: Member Services, Finance and Administration. The Member services department is responsible for the coordinated delivery of services to the membership. It counsels members on a daily basis, provides outreach counseling from October to May at various sites across the state, and is responsible for group benefit presentations.

The Finance department is responsible for the accounting of the system's assets and is responsible for member bookkeeping. It calculates all retirement allowances and purchase requests and maintains the system's retiree pension payroll. The retiree unit within the Finance department handles all retiree inquiries. Finally, the Data Processing unit within that same division tracks all participant information and prepares yearly information for periodic actuarial valuations.

The Administration unit includes the Executive Director, Assistant Executive Director and The Communications unit. It is responsible for all relations with the system's 15-member retirement board. It also oversees the delivery of communication to the system's active and retired membership and all other interested parties.

Program Objectives

In addition to statutory mandates, the major program objectives of Employees' Retirement System of Rhode Island are the continued delivery of services to the active and retired membership. The system is also in the final stages of implementing a line of business automation project. The investment objective for the State Pension Fund is to meet or exceed an annual rate of return of 8.25 percent.

Statutory History

The Employees' Retirement System of Rhode Island is governed by Titles 16, 36 and 45 of the Rhode Island General Laws.

The Budget

Office of the General Treasurer State Retirement System

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised	FY 2007 Recommended
Expenditures By Object				
Personnel	3,833,379	4,754,694	6,188,590	5,683,487
Other State Operations	754,088	996,794	1,167,906	833,592
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	4,969	5,299	4,500	4,500
Subtotal: Operating Expenditures	\$4,592,436	\$5,756,787	\$7,360,996	\$6,521,579
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$4,592,436	\$5,756,787	\$7,360,996	\$6,521,579
Expenditures By Funds				
State Retirement Fund	4,592,436	5,756,787	7,360,996	6,521,579
Total Expenditures	\$4,592,436	\$5,756,787	\$7,360,996	\$6,521,579
Program Measures				
Return on Pension Portfolio	19.48%	12.15%	8.25%	8.25%

The Program

Office of the General Treasurer Unclaimed Property

Program Operations

The Unclaimed Property Program is responsible for the collection of abandoned property and acts as custodian for both tangible and intangible abandoned property. The mission of the division is to return this property to its rightful owners. This division maintains data on all escheat properties by the State since the inception of the program. The program monitors compliance with the law via an internal review of reports filed, and an audit program that audits financial institutions, corporations, businesses, insurance companies, and municipalities.

Program Objectives

This program will continue its efforts to ensure holder compliance with the law, resulting in more property being received by the State and being returned to their rightful owners. This unit will also continue to implement an aggressive outreach program.

The State Unclaimed Money List is included in the new RI Treasury Internet Home Page. The Internet address is: <http://www.state.ri.us/treas/treas.htm>

Statutory History

Title 33 Chapter 21 and 21.1 of the General Laws govern the Unclaimed Property Program and were most recently updated during the 1992-93 legislative sessions.

The Budget

Office of the General Treasurer Unclaimed Property

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised	FY 2007 Recommended
Expenditures By Object				
Personnel	778,374	790,839	836,063	830,147
Other State Operations	25,128,353	24,410,707	24,338,937	15,839,079
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
Subtotal: Operating Expenditures	\$25,906,727	\$25,201,546	\$25,175,000	\$16,669,226
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$25,906,727	\$25,201,546	\$25,175,000	\$16,669,226
Expenditures By Funds				
Restricted Receipts	25,906,727	25,201,546	25,175,000	16,669,226
Total Expenditures	\$25,906,727	\$25,201,546	\$25,175,000	\$16,669,226
Program Measures				
Claims Paid	40.0%	65.0%	60.0%	60.0%
Timeliness of Payments	28	28	21	21

The Program

Office of the General Treasurer Rhode Island Refunding Bond Authority

Program Operations

The Authority was created in 1987 as a public corporation, having a distinct legal existence from the State and not constituting a department of State government. It was created for the purpose of providing a means to advance refund two series of general obligation bonds (1984 and 1985) of the State of Rhode Island. The Authority is authorized to issue bonds and notes, secured solely by its revenues, derived from payments pursuant to a loan and trust agreement with the State of Rhode Island, subject to annual appropriation. In 1988, the State entered into a loan and trust agreement with the Rhode Island Refunding Bond Authority, which issued \$20.6 million of bonds for the advance refunding of \$18.6 million of the State's general obligation bonds.

In 1993, the Rhode Island Refunding Bond Authority (RIRBA) issued \$161.8 million, the proceeds of which were used to effect the complete or partial refunding of six of the Rhode Island Public Buildings Authority's (RIPBA) revenue bonds.

On July 1, 1997, the RIPBA was merged into the RIRBA. Prior to the merger, RIPBA issued debt to finance the acquisition and construction of certain facilities to be leased by state agencies. The lease payments made by the State, subject to annual appropriations, secured debt service payments.

In June 1998, the Rhode Island Refunding Bond Authority refunded portions of four series of RIPBA Bonds with the issuance of the 1998 Series A State Public Project Revenue Bonds in the amount of \$39.8 million. The payment of such loans by the State is subject to and dependent upon annual appropriations being made by the General Assembly. As of June 30, 2004, two bonds in the amount of \$84.7 million were outstanding.

In April 2003, the authority issued \$67.6 million State Public Projects Revenue Bonds, Series 2003 A to refund the outstanding principal of State Public Projects Revenue Bonds, 1993 Series A. The Authority completed the advance refunding to reduce its total debt service payments by \$2.8 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$2.8 million.

Final redemption of one of RIRBA's bond issues was accomplished during FY 2003. All amounts have been redeemed for the original Refunding Bond Authority's 1988 Series A Bonds.

Program Objectives

To ensure prompt payment of outstanding debts of the Authority.

Statutory History

Title 35 Chapter 8.1 of the Rhode Island General Laws created the Authority.

The Budget

Office of the General Treasurer Rhode Island Refunding Bond Authority

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised	FY 2007 Recommended
Expenditures By Object				
Personnel	21,771	24,071	36,752	37,780
Other State Operations	9,282	7,542	17,990	17,990
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
Subtotal: Operating Expenditures	\$31,053	\$31,613	\$54,742	\$55,770
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$31,053	\$31,613	\$54,742	\$55,770
 Expenditures By Funds				
General Revenue	31,053	31,613	54,742	55,770
Total Expenditures	\$31,053	\$31,613	\$54,742	\$55,770
 Program Measures	NA	NA	NA	NA

The Program

Office of the General Treasurer Crime Victim Compensation

Program Operations

The Criminal Injuries Compensation Act of 1996, amended in 1999, enables the State of Rhode Island, through the Office of the General Treasurer, to compensate innocent victims of violent crimes for certain expenses directly attributable to the crime. The process includes, but is not limited to, the filing of claim forms, verification of medical bills and other documentation supporting the claim, and proof of dependency or lost wages where necessary. The program's staff reviews each application, gathers information relating to eligibility, and investigates the documentation offered in support of the application. The Program Administrator makes an eligibility determination and awards or denies compensation under the applicable statute.

Victims and/or families of victims of The Station nightclub fire may apply for assistance through the Rhode Island Crime Victim Compensation Program (CVCP). Applicants can receive compensation up to \$25,000 to help pay expenses incurred in the aftermath of the tragedy. Covered expenses include those not already covered by insurance, such as lost wages and loss of support, medical bills for those injured, burial and funeral costs, and counseling expenses for victims and the immediate family of those lost in this tragedy.

Program Objectives

The Program instituted a pay-as-you go system under the 1999 amendment to the Act, which has shortened claim-processing times. The debt reduction plan, targeting the accumulated unfunded liability of unpaid claims, is expected to conclude in FY 2006.

Statutory History

Title 12 Chapter 25 of the RIGL governs the victims of Violent Crimes Compensation Program, the most recent amendments going into effect on September 1, 1999.

The Budget

Office of the General Treasurer Crime Victim Compensation

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised	FY 2007 Recommended
Expenditures By Object				
Personnel	399,455	395,483	391,171	340,862
Other State Operations	55,807	51,597	82,995	79,408
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	3,641,355	1,376,134	3,488,451	2,241,206
Subtotal: Operating Expenditures	\$4,096,617	\$1,823,214	\$3,962,617	\$2,661,476
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$4,096,617	\$1,823,214	\$3,962,617	\$2,661,476
 Expenditures By Funds				
General Revenue	253,487	737,145	238,654	212,872
Federal Funds	2,080,307	1,476,677	2,059,386	731,764
Restricted Receipts	1,762,823	(390,608)	1,664,577	1,716,840
Total Expenditures	\$4,096,617	\$1,823,214	\$3,962,617	\$2,661,476
 Program Measures				
Number of Business Days Required to Process and Pay Claims	170	150	120	100